

Fundamentals:

US shares rose in a broad-based rally that swept up small caps as well as blue-chip stocks, ahead of midterm elections and inflation data later this week. The dollar fell with Treasuries.

The S&P 500 closed near session highs, with all but three of the 11 industry groups advancing. The tech-heavy Nasdaq 100 also caught bids, while the Dow Jones Industrial Average outperformed, rising as much as 1.5% with health-care names topping the leaderboard. The Russell 2000 rallied, reversing losses in afternoon trading.

Optimism, for the moment, is outweighing concerns over the Federal Reserve's resolute campaign against price surges, signs of stress in US corporate performance and China's announcement it will "unswervingly" adhere to current Covid Zero policy.

Meanwhile, Facebook parent Meta Platforms Inc. rallied on plans to cut jobs. Tesla Inc. was the biggest drag on the S&P 500 as the stock continued to sell off in the wake of Chief Executive Officer Elon Musk's purchase of Twitter Inc. Apple Inc. bounced back from earlier losses triggered by a report saying it expected to produce at least three million fewer iPhone 14 handsets than originally anticipated this year.

Lfyt Inc. fell in postmarket trading after the ride-hailing giant reported weaker-than-expected rider growth, overshadowing better profits from higher fares.

Stocks rose on Friday after data showed strong hiring and wage increases along with higher unemployment. That offered a mixed picture for Fed officials debating how long to extend their campaign to curb elevated inflation.

Swaps markets are leaning toward a 50 basis-point Fed rate increase in December, after a fourth consecutive jumbo hike to a target range of 3.75% to 4% at last week's meeting. Rates are expected to peak slightly above 5% around mid-2023.

The latest US inflation reading due Thursday will be closely watched after the core consumer price index rose more than forecast to a 40-year high in September. Even if prices begin to moderate, the CPI is far above the Fed's comfort zone.

In the corporate debt market, Oracle Corp.'s long-awaited acquisition financing is leading 15 US high-grade issuers looking to get ahead of consumer price index data on Thursday and a bond market holiday on Friday.

Meanwhile, Chinese stocks listed in the US fell Monday after health authorities repeated their strict adherence to the country's Covid Zero policies. The Nasdaq Golden Dragon China Index slid more than 2%, halting a four-day rally.

U.S. Treasury yields rose in choppy trading on Monday after a highly-volatile week, as bond investors turned their focus to the all-important inflation data and the U.S. midterm elections on Tuesday that will determine control of Congress.

The past week saw market gyrations amid another big Federal Reserve interest rate increase and a strong U.S. jobs report for October that ensured the Fed will be in no rush to pivot away from its aggressive tightening of monetary policy.

In a press briefing last week, Fed Chair Jerome Powell cautioned against prematurely discussing a pause in hiking rates in the face of persistently high inflation.

U.S. two-year yields, which are sensitive to rate move expectations, rose nearly 7.2 basis points to 4.7237%.

The U.S. consumer price index data for October is due for release on Thursday, with investors awaiting the report for further clues on when the Fed could slow the pace of rate hikes. Wall Street economists expect a deceleration in both the monthly and yearly core consumer price index to 0.3% and 6.5%, respectively, according to a Reuters poll.

Investors are also keeping a wary eye on Tuesday's U.S. midterm elections.

Republicans have gained momentum in polls and betting markets, with analysts forecasting a split government in which Republicans win control of the House of Representatives and possibly the Senate. That result would likely hamper Democratic President Joe Biden's economic agenda.

A divided government could lead to gridlock over raising the federal debt limit, possibly reigniting worries about a U.S. default, analysts said, a scenario that may spur safety bids for Treasuries.

The yield on 10-year Treasury notes was up 5.3 basis points at 4.211%.

U.S. 30-year Treasury yields were up 6.5 basis points at 4.312%.

A closely-watched part of the U.S. Treasury yield curve measuring the gap between yields on two- and 10-year Treasury notes US2US10=RR remained inverted at -51.9 basis points.

An inversion of this part of the curve typically foreshadows a U.S. recession.

The Treasury this week will auction \$40 billion in U.S. three-year notes on Tuesday, \$35 billion in 10-year notes on Wednesday, and \$21 billion in 30-year bonds on Thursday. The \$96 billion set of auctions will raise about \$40.7 billion in new cash when they settle on Nov. 15, Jefferies wrote in a research note.

(Source: Bloomberg, Reuters)

Economic Releases		Period	Survey	Actual	Prior	Revised
11/09/2022 04:00	Consumer Credit	Sep	\$30.000b	\$24.976b	\$32.241b	\$30.185b
11/09/2022 19:00	NFIB Small Business Optimism	Oct	91.4	--	92.1	--
11/09/2022 20:00	MBA Mortgage Applications	Nov-04	--	--	-0.50%	--
11/09/2022 23:00	Wholesale Trade Sales MoM	Sep	0.50%	--	0.10%	--
11/09/2022 23:00	Wholesale Inventories MoM	Sep F	0.80%	--	0.80%	--
11/10/2022 21:30	CPI MoM	Oct	0.60%	--	0.40%	--
11/10/2022 21:30	CPI Ex Food and Energy MoM	Oct	0.50%	--	0.60%	--
11/10/2022 21:30	CPI YoY	Oct	7.90%	--	8.20%	--
11/10/2022 21:30	CPI Ex Food and Energy YoY	Oct	6.50%	--	6.60%	--
11/10/2022 21:30	CPI Index NSA	Oct	298.488	--	296.808	--
11/10/2022 21:30	CPI Core Index SA	Oct	300.094	--	298.66	--
11/10/2022 21:30	Real Avg Hourly Earnings YoY	Oct	--	--	-3.00%	--
11/10/2022 21:30	Real Avg Weekly Earnings YoY	Oct	--	--	-3.80%	--
11/10/2022 21:30	Initial Jobless Claims	Nov-05	220k	--	217k	--
11/10/2022 21:30	Continuing Claims	Oct-29	1481k	--	1485k	--
11/11/2022 03:00	Monthly Budget Statement	Oct	-\$92.5b	--	-\$429.7b	--
11/11/2022 23:00	U. of Mich. Sentiment	Nov P	59.5	--	59.9	--
11/11/2022 23:00	U. of Mich. Current Conditions	Nov P	63.5	--	65.6	--
11/11/2022 23:00	U. of Mich. Expectations	Nov P	55	--	56.2	--
11/11/2022 23:00	U. of Mich. 1 Yr Inflation	Nov P	5.10%	--	5.00%	--
11/11/2022 23:00	U. of Mich. 5-10 Yr Inflation	Nov P	2.90%	--	2.90%	--

INDEX FUTURES DAILY PREVIEW
November 8, 2022

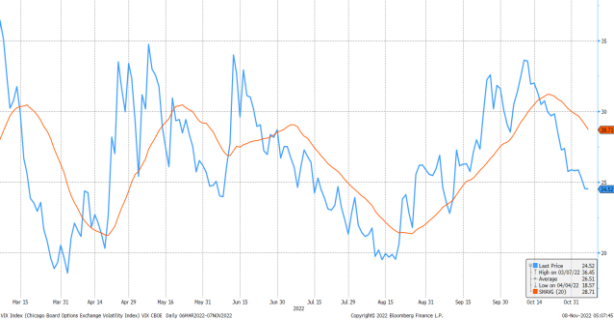
Contract	Close	Change	High	Low
E-Mini Dow DEC 22	32,838.00	388.00	32,904.00	32,113.00
E-Mini S&P DEC 22	3,815.25	32.500	3,821.75	3,738.25
E-Mini NASDAQ DEC 22	11,014.25	122.50	11,038.50	10,751.00
Micro Russell 2K JUN 22	1812.1	7.4	1824	1785
USD Nikkei DEC 22	27,630.0	120.0	27,720.00	27,355.00
Euro Dollar DEC 22	94.88	-0.005	94.90	94.86
US Dollar Index	110.19	-0.684	111.27	110.05
DJIA	32,827.00	423.780	32,895.59	32,424.99
S&P 500	3,806.80	36.250	3,813.95	3,764.70
NASDAQ	10,564.52	89.270	10,587.96	10,428.91
Nikkei 225	27,527.64	327.900	27,578.01	27,357.53
Hang Seng	16,595.91	434.770	16,821.89	15,980.85
Straits Times	3,141.31	11.200	3,145.44	3,126.67
DAX	13,533.52	73.670	13,611.30	13,391.00
CAC	6,416.61	0.170	6,442.41	6,363.70
FTSE100	7,299.99	-34.850	7,346.66	7,288.00

Historical Volatility	10 Days	30 Days	60 Days	90 Days
E-Mini Dow Futures	19.60	23.57	22.53	20.22
E-Mini S&P Futures	23.72	27.73	25.41	23.48
E-Mini Nasdaq Futures	14.17	17.00	15.89	15.54

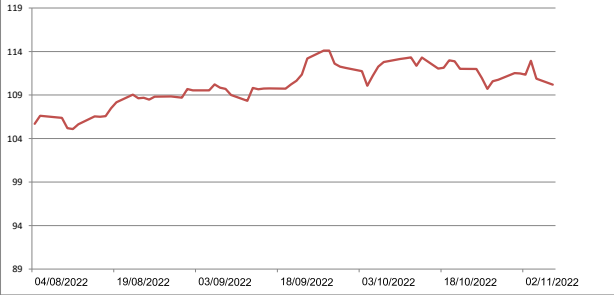
U.S. Government Treasuries Yield



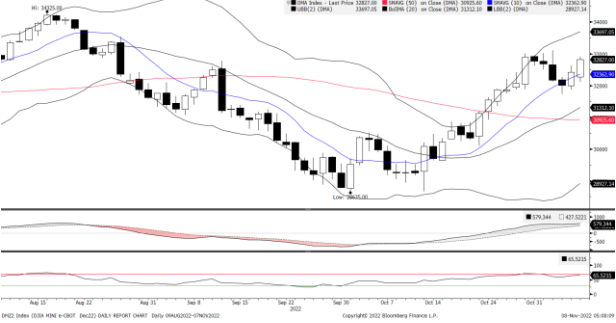
CBOE Volatility Index (VIX)



Dollar Index



E-Mini Dow Index Futures Daily Chart



E-Mini S&P 500 Index Futures Daily Chart



E-Mini NASDAQ 100 Index Futures Daily Chart



Micro E-Mini Russell 2000 Index Futures Daily Chart



Technical Analysis

Dow				S&P				Nasdaq				Micro Russell			
1st Resistance:	33331	2nd Resistance:	33823	1st Resistance:	3872.48	2nd Resistance:	3929.71	1st Resistance:	11179.46	2nd Resistance:	11344.68	1st Resistance:	1839.28	2nd Resistance:	1866.46
1st Support:	32345	2nd Resistance:	31853	1st Support:	3756.02	2nd Resistance:	3700.79	1st Support:	10849.04	2nd Resistance:	10683.82	1st Support:	1784.92	2nd Resistance:	1757.74
MACD:	578.654			MACD:	6.162677			MACD:	-147.711			MACD:	15.029		
MACD DIFF:	151.180			MACD DIFF:	6.921515			MACD DIFF:	-13.257			MACD DIFF:	5.385		
RSI:	65.452			RSI:	51.743827			RSI:	44.427			RSI:	54.606		

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Dow	32345	32669	32184	31853	32171	31694	33331	32997	33497	33823	33485	33992
S&P	3756.02	3795.60	3739.23	3700.79	3737.80	3682.29	3872.48	3833.75	3891.84	3929.71	3890.41	3949.36
Nasdaq	10849.04	10957.53	10794.79	10683.82	10790.66	10630.40	11179.46	11067.67	11235.36	11344.68	11231.23	11401.40
Micro Russell	1784.92	1802.77	1775.99	1757.74	1775.31	1748.95	1839.2815	1820.89	1848.48	1866.463	1847.80	1875.80

Source: Bloomberg

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